

Message Text

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S E C R E T SECTION 1 OF 4 HELSINKI 786

NO FOREIGN DISSEMINATION

E.O. 11652: GDS

TAGS: OGEN, FI

SUBJECT: ANNUAL US POLICY ASSESSMENT: FINLAND

REF: (A) STATE 9732 (B) STATE 032826

PART I.A. DEVELOPMENTS IN FINLAND IN 1974

1. IN 1974 FINLAND REMAINED STABLE IN TERMS OF DOMESTIC POLITICS BUT WITH PERSISTENT HIGH INFLATION; FACED RECORD BALANCE OF PAYMENTS DEFICIT AND MORE ECONOMIC DEPENDENCE ON USSR (BOTH OIL AND TRADE) AND CONSEQUENTLY BECAME MORE VULNERABLE TO SOVIET PRESSURE; PLAYED AN ACTIVE BUT SOMEWHAT LESS NEUTRAL ROLE IN INTERNATIONAL AFFAIRS; AND CONTINUED TO BE PREOCCUPIED WITH ITS ASPIRATIONS TO HOST A CSCE SUMMIT.

PART I.B. POLICIES AND OBJECTIVES

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2. IN ASSESSING US SUCCESS DURING PAST YEAR IN

ACHIEVING OBJECTIVES SET FORTH IN EUROPARA 1973 AS AMENDED BY OUR LAST POLICY ASSESSMENT, IT SHOULD BE KEPT IN MIND THAT (A) EUROPARA OBJECTIVES WERE FORMULATED IN SUCH A MANNER THAT THEY DO NOT LEND THEMSELVES TO USE AS YARDSTICKS FOR ACHIEVEMENT AND (B) ACHIEVEMENT IS NOT DIRECTLY RELATED TO RESOURCES -- A CERTAIN LEVEL OF RESOURCES IS REQUIRED SIMPLY TO HAVE A MISSION IN HELSINKI, BUT DOUBLING THOSE RESOURCES WOULD NOT DOUBLE ACCOMPLISHMENT. WE BELIEVE REFINEMENT AND UPDATING OF US OBJECTIVES IS POSSIBLE AND DESIRABLE AND OUR PROPOSALS FOR THIS APPEAR IN PART II. REGARDLESS OF HOW OBJECTIVES ARE FORMULATED, WE MUST ACCEPT REALITY OF FINLAND'S PREOCCUPATION WITH PRESERVING SOVIET GOOD WILL AND OF OUR OWN MARGINAL INFLUENCE. OUR GREATEST LEVERAGE IS IN THE THREAT TO TAKE AWAY OUR TRADITIONAL TOLERANCE AND UNDERSTANDING FOR FINLAND'S DIFFICULT POSITION. IF WE EVER GO BEYOND THE THREAT TO ACTUAL WITHDRAWAL, OUR SUBSEQUENT ABILITY TO WORK TOWARD ANY MEANINGFUL OBJECTIVE WILL BE ALMOST NIL.

3. OBJECTIVE (I) -- PRESERVATION OF FINNISH NEUTRALITY AND INDEPENDENCE. FINNISH INDEPENDENCE NEITHER INCREASED NOR DECREASED SIGNIFICANTLY IN 1974. DESPITE GENERAL DETENTE ATMOSPHERE, FINNS FOUND IT NECESSARY OR DESIRABLE TO BE EVEN MORE EFFUSIVE THAN USUAL IN MANIFESTING THEIR FRIENDLINESS TOWARD SOVIETS. INCREASED VIABILITY AND FREEDOM OF MANEUVER THAT FINNS ACHIEVED BY FINALLY CONCLUDING FREE TRADE AGREEMENT WITH EC IN LATE 1973 HAS BEEN LARGELY OFFSET BY INCREASED FINNISH TIES WITH AND PARTICIPATION IN PLANNING WORK OF COMECON; SERIES OF "FREE TRADE" AGREEMENTS FINNS CONCLUDED WITH EAST EUROPEAN COUNTRIES; OIL PRICE CRISIS AND RESULTANT SHIFT IN TRADE, MAKING USSR FINLAND'S NUMBER ONE TRADE PARTNER; AND ANNOUNCEMENT IN MARCH 1975 THAT FINLAND WILL NEGOTIATE FIFTEEN YEAR TRADE AGREEMENT WITH USSR. BECAUSE OF THEIR INCREASED ECONOMIC DEPENDENCY ON SOVIETS, PARTICULARLY FOR OIL AND TRADE, FINNS HAVE BECOME MORE VULNERABLE TO SOVIET PRESSURE. LONG TERM OUTLOOK FOR FINNISH INDEPENDENCE IS UNCERTAIN, HOWEVER THERE WAS AND IS RELATIVELY LITTLE WE CAN DO

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ABOUT THIS. WE HAVE IN OUR DEALINGS WITH FINNISH DECISIONMAKERS TRIED TO SUGGEST THAT THEY NEED NOT BE QUITE AS SUBSERVIENT TO SOVIETS AS THEY ARE. THIS MUST BE A CONTINUING PROCESS. ALTHOUGH WE CANNOT CLAIM TO HAVE ACHIEVED ANY GREAT SUCCESS IN MAKING FINNS BEHAVE MORE INDEPENDENTLY TOWARD SOVIETS, WE HAVE AT LEAST CONSTANTLY REMINDED THEM OF DESIRABILITY OF DOING SO, AND BELIEVE WE HAVE HELPED IN

KEEPING SITUATION FROM BECOMING WORSE.

4. FINNISH NEUTRALITY IN THE FREE WORLD VS. COMMUNISM
CONTEXT SUFFERED CREDIBILITY LOSSES, AT LEAST IN US
EYES, WHEN GOF IN JANUARY 1975 MADE POLICY DECISION TO
SUPPORT PRG PARTICIPATION IN INTERNATIONAL CONFERENCES
AND WHEN IN OCTOBER 1974 THEY AGAIN STARTED PUSHING
KEKKONEN PLAN FOR NFZ IN NORTHERN EUROPE -- A PLAN WHICH
LOPSIDEDLY FAVORS WARSAW PACT OVER NATO. IN OTHER CONTEXTS
IMPLEMENTATION OF FINLAND'S "ACTIVE PEACEFUL NEUTRALITY
POLICY" HAS BEEN AT TIMES INIMICAL TO US INTERESTS
LARGELY BECAUSE FINNS HAVE MORE AND MORE CHOSEN TO
PURSUE A "MORALISTIC" NEUTRALITY POLICY, PARTICULARLY
ON QUESTIONS CONCERNING THIRD WORLD. WE HAVE REPEATEDLY
MADE CLEAR TO FINNS OUR VIEWS AND CONCERNS OVER ACTIONS
WHICH WE CONSIDER NEITHER IN US OR FINNISH INTEREST.
WITHOUT THREATENING, WE HAVE FORCEFULLY REMINDED
FINNISH LEADERS THAT CONTINUED CREDIBILITY OF THEIR
NEUTRALITY IS PREREQUISITE FOR ANY MEANINGFUL FINNISH
ROLE IN WORLD AFFAIRS. IN THIS CONNECTION WE HAVE ALSO
EMPHASIZED TO FINNS IMPORTANCE OF ACTIONS CONSISTENT
WITH REPUTATION OF "USEFUL" NEUTRAL, SUCH AS
PARTICIPATION IN UN PEACEKEEPING FORCES AND CON-
STRUCTIVE ROLE IN CCD, RATHER THAN YIELDING TO OR
JOINING "TYRANNY OF MAJORITY" FORCES IN UNITED NATIONS-
RELATED QUESTIONS. DESPITE ALL THESE EFFORTS OUR IM-
PACT HAS BEEN LIMITED. IT IS NEVERTHELESS IMPORTANT
THAT WE CONTINUE ON THIS COURSE BECAUSE IT AT LEAST
KEEPS FINNS INFORMED OF OUR VIEWS, GIVES THEM THE
"OTHER SIDE" OF THE PICTURE, AND FORCES THEM TO DO SOME
SERIOUS SOUL SEARCHING BEFORE EMBARKING ON NEW VENTURES.
OUR ACTIVITY ALSO REINFORCES THOSE QUARTERS WHO NATUR-
ALLY HAVE A MORE CAUTIOUS OR CONSERVATIVE APPROACH TO
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FINNISH INVOLVEMENT IN INTERNATIONAL AFFAIRS, AND
THEREBY HELPS ARREST SWING TO LEFTIST "ACTIVE" TENDENCY
NOT TO OUR INTEREST. QUESTION REMAINS TO WHAT EXTENT
THESE ACTIVITIES SHOULD BE CARRIED BEYOND TRADITION-
AL DIPLOMATIC CHANNELS, EITHER MORE EXTENSIVELY TO
OTHER POWER BASES OR ALSO TO PUBLIC. FINNISH PUBLIC
FOR EXAMPLE IS NOT AWARE OF NEW FINNISH PRG POLICY.
GOF'S CLEAR UNDERSTANDING OF SERIOUSNESS WITH WHICH
US VIEWS THIS NEW POLICY WILL HOPEFULLY BE DECISIVE IN
PRESENT CIRCUMSTANCE IN COUNTERING SUCH PRESSURES AS
MAY BE EXERTED FOR ELEVATION OF STATUS OF PRG INFORMATI-
ON OFFICE OR FORMAL RECOGNITION OF PRG BY FINLAND.

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5. OBJECTIVE (II) -- MAINTENANCE OF WESTERN-ORIENTED
POLITICAL/ECONOMIC SYSTEM. THERE HAS BEEN NO
SIGNIFICANT EROSION IN FINNISH COMMITMENT TO A
DEMOCRATIC SYSTEM, DESPITE CONTINUED "SELF-CENSORSHIP"
IN MEDIA ON ANTI-SOVIET VIEWS, AND HABIT OF MAJOR
POLITICAL GROUPS OF CASTING THEIR OPPONENTS AS
"UNRELIABLE" IN FOREIGN POLICY TERMS (I.E., UNPALATABLE
TO THE USSR) WITH THE PURPOSE OF MAKING THEM POLITICAL
OUTCASTS. FINLAND HAS ENJOYED DOMESTIC STABILITY,
PARTLY DUE TO GREAT POWER AND INFLUENCE OF PRESIDENT
KEKKONEN -- NOW IN HIS NINETEENTH YEAR AS PRESIDENT,
AND BECAUSE SOCIAL DEMOCRAT/CENTRIST COALITION GOVERN-
MENT HAS MANAGED TO STAY TOGETHER LONG BEYOND THE
NORMAL PERIOD THROUGH A SERIES OF COMPROMISE
SOLUTIONS. THERE IS NO READY ALTERNATIVE TO PRESENT
COALITION, BECAUSE COMMUNIST PARTY CONTINUES SERIOUSLY
DIVIDED ON MANY MATTERS INCLUDING COOPERATION WITH
SOCIAL DEMOCRATS AND EARLY ELECTIONS NOT EXPECTED TO
CHANGE SITUATION. SORSA GOVERNMENT NONETHELESS MAY
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COME APART AS RESULT OF INTERNAL FRICTION. TRENDS IN FINNISH POLITICS ARE CHARACTERIZED BY INCREASING PARTICIPATION BY YOUTH; PROLETARIZATION AS RESULT OF MASSIVE POPULATION SHIFTS TO CITIES; POLITIZATION OF ALL ORGANIZATIONS AND GOVERNMENT BUREAUCRACY; AND FACTIONALIZATION OF MOST POLITICAL PARTIES -- ALL LEADING TO FURTHER RADICALIZATION, AND LEFTIST UPSWING. THIS PROCESS IS NEVERTHELESS STILL SLOW, AND LEFTIST DEMANDS FOR CONSTITUTIONAL CHANGES HAVE BEEN STAVED OFF.

6. EMBASSY HAS TRIED KEEP FINNISH POLITICAL LEADERSHIP INFORMED OF US POLICIES, WORLD EVENTS, AND CONVINCED OF DESIRABILITY FOR FINLAND TO REMAIN BASICALLY WESTERN IN ITS POLITICAL SYSTEM. IN DOING THIS WE HAVE GIVEN SPECIAL ATTENTION TO YOUTH AND TO SOCIAL DEMOCRATS -- LARGEST PARTY THAT ALSO HAS VERY ACTIVE AND INFLUENTIAL YOUTHFUL LEFTWING. WE BELIEVE THAT THESE EFFORTS HAVE HELPED THOSE FORCES TRADITIONALLY IN FAVOR OF A DEMOCRATIC SYSTEM AND HAVE MODERATED VIEWS OF SOME SOCIAL DEMOCRATS AND YOUTH LEADERS.

7. IN THE ECONOMIC SPHERE, THE FREE ENTERPRISE DOMINATED MIXED-MARKET ECONOMY IS STILL FIRMLY ENTRENCHED. STATE INFLUENCE AND ROLE IS SLOWLY INCREASING, BUT IS FAR FROM BEING AS PERVASIVE AS IN SWEDEN. OUR CONTRIBUTION TO MAINTAINING THIS STATE OF AFFAIRS IS MARGINAL, BUT WE HAVE BEEN WORKING WITH LEADERSHIP OF ECONOMIC INSTITUTIONS, SUCH AS BUSINESS, BANKING, AND FOREIGN TRADE CIRCLES TO BUTTRESS THEIR OWN EFFORTS TOWARD THIS GOAL. FACILITATING AND ENCOURAGING US-FINNISH TRADE IS MOST CONCRETE STEP WE CAN TAKE, AND WILL CONTINUE TO BE OUR MAIN APPROACH IN THIS AREA.

8. OBJECTIVE (III) -- PRESERVATION OF FINLAND'S WESTERN ORIENTATION. THIS OBJECTIVE HAS TRADITIONALLY BEEN VIEWED AS RELATING PARTICULARLY TO CULTURAL TIES, EXCHANGES OF HIGH LEVEL VISITORS AND USIS ACTIVITIES. FINLAND'S CULTURAL TIES CONTINUED STRONG WITH WESTERN COUNTRIES, PARTICULARLY ITS FELLOW NORDICS. THERE WERE SOME NOTES OF DISCORD IN FINNISH-NORDIC
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RELATIONS GENERALLY WHICH MAY CAUSE STRAIN EVEN IN THE CULTURAL FIELD. IT IS UNFORTUNATELY LIKELY THAT THIS NEGATIVE TREND IN GENERAL RELATIONS WILL CONTINUE. RE US-FINNISH TIES WE NOTE AN UPSWING AND SOME SIG-

NIFICANT ACHIEVEMENTS. FINNS FROM HIGHEST LEVEL ON DOWN HAVE EVIDENCED DESIRE FOR MORE CONTACT WITH US. THEY WANT TO PLAY PART IN BICENTENNIAL, AND AS PART OF THIS UNIVERSITY OF HELSINKI HAS MATCHED FUNDS WITH USIA TO SET UP FIRST EVER AMERICAN STUDIES CHAIR IN FIVE YEAR JOINTLY FUNDED \$100,000 BICENTENNIAL PARTNERSHIP PROJECT. OF EVEN GREATER IMPORTANCE IS TENTATIVE FINNISH OFFER TO SET UP PERPETUAL TRUST FUND FOR KEY ASLA-FULBRIGHT PROGRAM FINANCED BY TOTAL UNPAID BALANCE OF THEIR LOAN -- ABOUT \$3 MILLION -- THEREBY ASSURING SOME FINANCING FOR PROGRAM AFTER 1984. THIS IS IMPORTANT STEP TOWARD FAVORABLE OUTCOME OF OUR THREE-YEAR EFFORT TO ACCOMPLISH THIS MAJOR GOAL.

9. OUR INTERNATIONAL VISITORS PROGRAM AND THE USIS-SPONSORED EUROPEAN ORGANIZATIONS TOURS HAVE BEEN EFFECTIVE IN EXPOSING KEY YOUNG FINNISH LEADERS TO US VIEWS. TOPPING IVP LIST THIS YEAR WAS SOCIAL DEMOCRATIC MINISTER OF EDUCATION SUNDQVIST, ONE OF TIME MAGAZINE'S LIST OF 100 WORLD LEADERS OF TOMORROW. APART FROM THESE PROGRAMS WE HAVE NOT SCORED ANY GREAT SUCCESSES IN ACTING AS CATALYSTS FOR HIGH LEVEL VISITS TO OR FROM US. THIS IS UNFORTUNATELY TRUE IN ALL FIELDS -- GOVERNMENT, POLITICS, BUSINESS, LABOR, MEDIA, AND CULTURE. WE DO HAVE BETTER HOPES FOR FUTURE AND WILL CONCENTRATE ON REALIZING THEM. EMBASSY CONTINUES TO STRONGLY URGE VISITS BY HIGH LEVEL US OFFICIALS TO FINLAND, AND NOT JUST FOR CSCE PHASE III. WE HAVE ALSO RECOMMENDED THAT PRESIDENT KEKKONEN BE INVITED FOR OFFICIAL VISIT TO US IN 1975 OR 1976.

10. OUR EFFORTS TO PROMOTE EXCHANGES BETWEEN AMERICAN AND FINNISH TRADE UNIONISTS ARE SEVERELY HANDICAPPED BY USG POLICY OF REFUSING VISAS TO TRADE UNIONISTS WHO ARE MEMBERS OF COMMUNIST PARTY AND WHO WISH TO VISIT US TRADE UNIONS (E.G., THE CELEBRATED NYSTROM
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CASE) WHICH LED 30-MAN NORDIC METALWORKERS DELEGATION TO CANCEL ITS SCHEDULED VISIT TO US IN NOVEMBER 1974.

11. OUR YOUTH EFFORTS HAVE STARTED TO PAY OFF, AND OUR THIRD ANNUAL YOUTH SEMINAR IN MARCH 1975, FOR EXAMPLE, WAS THE MOST SUCCESSFUL SO FAR. USIS FILM CLUB -- DIRECTED AT YOUTH -- IS NOW THIRD LARGEST IN HELSINKI WITH MORE THAN 400 MEMBERS. THE DOORS TO HELSINKI UNIVERSITY STUDENT UNION HAVE AGAIN BEEN OPENED TO US, AFTER BEING CLOSED FOR SEVERAL YEARS. MUCH MORE NEEDS TO BE DONE IN THIS AREA AND USIS IS REALLOCATING

RESOURCES FOR THIS PURPOSE.

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12. MEDIA TREATMENT OF US, PARTICULARLY
RADIO/TV, HAS LEFT MUCH TO BE DESIRED DURING PAST FEW
YEARS. CONCENTRATED EFFORTS BY MISSION HAS LED TO
CONSIDERABLE IMPROVEMENT IN EMBASSY-FINNISH BROADCAST-
ING COMPANY (FBC) RELATIONS, CULMINATING IN FBC
SENDING TEAM TO US TO MAKE THREE TV PROGRAMS IN COOPERA-
TION WITH USIA. OVERALL, ANTI-AMERICANISM IN FBC
PROGRAMS DIMINISHED SUBSTANTIALLY OVER PAST YEAR.

13. OBJECTIVE (IV) -- PROVISION FOR ADEQUATE MILITARY
FORCES. PERIOD WAS MARKED BY SLOW BUT PERCEPTIBLE
INCREASE IN CAPABILITIES OF THE FINNISH DEFENSE FORCES
(FDF) AND RETENTION OF CONTROL OF KEY POSITIONS IN
DEFENSE ESTABLISHMENT BY A HIGHLY PROFESSIONAL MILITARY
LEADERSHIP DEDICATED TO A VIABLE MILITARY INSTRUMENT
AND RESISTANCE TO POLITICAL PRESSURES AIMED AT UNDER-
MINING ARMED FORCES. EMBASSY EFFORTS WERE PARTICULARLY
SUCCESSFUL IN EFFECTING HIGH LEVEL CONTACTS BETWEEN

US DOD AND FDF OFFICIALS INCLUDING -- FOR FIRST TIME

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IN SEVERAL YEARS -- REAL EXCHANGE OF IDEAS WITH
FINNISH MILITARY LEADERSHIP DURING VISITS OF
GENERAL AND FLAG RANK US OFFICERS TO FINLAND, AND
EXPANDING CONTACTS AND INFLUENCES WITH THE MIDDLE
LEVEL MILITARY OFFICER CORPS.

14. OBJECTIVE (V) -- FURTHERANCE OF AMERICAN
ECONOMIC AND COMMERCIAL INTERESTS. IN 1974 US
SHARE OF FINNISH MARKET INCREASED TO 5.1 PERCENT
OF ALL IMPORTS AS COMPARED WITH 4.7 PERCENT IN 1973.
EMBASSY OBVIOUSLY CAN CLAIM ONLY A HELPING HAND IN
INCREASE OF US SHARE OF MARKET, BUT WE FEEL THAT OUR
TRADE PROMOTION PROGRAM -- ON WHICH A GREAT DEAL OF
MISSION EFFORT WAS SPENT -- WAS A SIGNIFICANT
CONTRIBUTING FACTOR.

15. FUTURE OUTLOOK IS SOMEWHAT BLEAKER, NOT SO MUCH
IN TERMS OF SHARE OF MARKET AS IN TERMS OF VALUE OF
FINNISH IMPORTS FROM US. THIS IS PRIMARILY DUE TO AN
EXPECTED SLOWDOWN IN ECONOMIC GROWTH, AND ANTICIPATED
GENERAL DECREASE IN FINNISH IMPORTS FROM THE WEST AS
A RESULT OF IMPORT DEPOSIT SCHEME GOING INTO EFFECT
MARCH 24, 1975 FOR PURPOSE OF AMELIORATING ADVERSE BALANCE
OF PAYMENTS SITUATION THAT HAD REACHED CRITICAL
PROPORTIONS. WE WILL CONTINUE OUR ACTIVE TRADE
PROMOTION EFFORTS, HOWEVER, IN ACCORDANCE WITH OUR
COUNTRY COMMERCIAL PROGRAM AND RELATED USIS
ACTIVITIES, AND OUR SO FAR SUCCESSFUL ACTIVITIES TO
ENSURE THAT FINNISH TRADE RESTRICTIONS DO NOT
DISCRIMINATE AGAINST US.

PART II. PROPOSED NEW POLICY PAPER ON FINLAND

16. COUNTRY TEAM HAS REVIEWED THE STATEMENT OF US
INTERESTS AND POLICY OBJECTIVES AS SET FORTH IN
EUROPARA 1973 AND RECOMMENDS FOR DEPARTMENT'S
CONSIDERATION REPLACING THESE WITH THE FOLLOWING:

PART II.A. US INTERESTS IN FINLAND

17. OUR SPECIAL INTEREST IN FINLAND IS BASED ON

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FACT THAT FINLAND IS THE OUTSTANDING EXAMPLE OF A NON-COMMUNIST COUNTRY BORDERING ON SOVIET UNION IN EUROPE; ON FACT THAT IT IS ONLY COUNTRY TO RESIST SOVIET ARMED AGGRESSION IN 1939-44 WHICH IS STILL LARGELY INDEPENDENT; AND ON FACT THAT IT OFTEN SERVES AS INDICATOR OF SOVIET INTENTIONS IN EUROPE OR BAROMETER OF EAST-WEST RELATIONS. IT IS IMPORTANT TO US THAT USSR BE DENIED MILITARY USE OF FINNISH TERRITORY, BECAUSE OF ADDITIONAL THREAT TO NATO'S NORTHERN FLANK THIS WOULD ENTAIL. IT IS POLITICALLY IMPORTANT TO US THAT SOVIET EFFORTS TO MAKE FINLAND A SHOWCASE OF PEACEFUL CO-EXISTENCE BE OFFSET BY WESTERN EFFORTS TO ENSURE THAT FINLAND IS A SHOWCASE OF WESTERN-ORIENTED, NON-COMMUNIST ECONOMIC AND POLITICAL ENTITY ON BORDER OF USSR AND NOT A MODEL FOR "FINLANDIZATION" OF OTHER AREAS.

18. MAXIMUM INDEPENDENCE OF FINLAND IS IN US INTEREST -- TO A LARGE EXTENT BECAUSE THIS MEANS MINIMUM OPPORTUNITIES FOR SOVIET DOMINATION AND SUBVERSION OF A DEMOCRATIC COUNTRY. WHAT FINNS DO WITH WHATEVER DEGREE OF INDEPENDENCE THEY HAVE IS ALSO IMPORTANT TO US, PRIMARILY HOW THEY IMPLEMENT FINNISH NEUTRALITY ON WORLD SCENE. IT IS OF INTEREST TO US THAT THIS NEUTRALITY BE AS EVEN-HANDED AS POSSIBLE AND THAT ITS IMPLEMENTATION NOT BE DETRIMENTAL TO US INTERESTS OR PERVERSIVE TO ACCEPTED NORMS OF NEUTRALITY. IT IS IN INTEREST OF US TO SEEK TO CHANNEL FINNISH INVOLVEMENT IN INTERNATIONAL AFFAIRS INTO CONSTRUCTIVE UNDERTAKINGS -- SUCH AS PARTICIPATION IN UN PEACE-KEEPING ACTIVITIES, AND TO TRY TO MAKE SURE THAT FINNISH EFFORTS TO PLAY ROLE OF EAST-WEST OR NORTH-SOUTH (DC-LDC) BRIDGEBUILDER, MEDIATOR, OR HONEST BROKER, BE EQUALLY TO INTEREST AND BENEFIT OF BOTH SIDES.

PART II.B. US OBJECTIVES

19. NEW OBJECTIVE (I): "ENCOURAGEMENT AND ASSISTANCE TO FINLAND TO MAINTAIN MAXIMUM FREEDOM FROM SOVIET PRESSURE CONSISTENT WITH GEOPOLITICAL REALITIES."

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USG HAS FOR A LONG TIME RECOGNIZED THAT BECAUSE OF GEOPOLITICAL REALITIES (I.E., FINLAND'S BIG AND TOUCHY NEIGHBOR IN THE EAST), FINLAND'S INDEPENDENCE IS LIMITED AND ITS NEUTRALITY IS SKEWED. WE SHOULD EXPLICITLY RECOGNIZE THIS REALITY, AND OUR POLICY OBJECTIVE SHOULD BE TO ENCOURAGE THE FINNS THEMSELVES TO STEER AS EVEN-HANDED A COURSE AS POSSIBLE AND TO ASSIST THEM

IN DOING SO, WHENEVER POSSIBLE OR APPROPRIATE. (COMMENT:
THIS OBJECTIVE SHOULD ALSO FORM SMALL PART OF US
POLICY TOWARD USSR).

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20. SUGGESTED NEW OBJECTIVE (II): "PROMOTION OF A
ROLE FOR FINLAND AS A 'PROFESSIONAL' RATHER THAN
'MORALISTIC' NEUTRAL." DUE TO FACT THAT FINNS HAVE
EMBARKED ON A NEW "ACTIVE PEACEFUL NEUTRALITY
POLICY" WITH MANY "MORALISTIC" OVERTONES, AND BECAUSE
IT IS IN US INTEREST THAT FINLAND BE NOT ONLY AS
TRULY NEUTRAL AS POSSIBLE BUT A USEFUL NEUTRAL, WE
ARGUE THAT IT IS IN OUR INTEREST TO TRY TO HAVE FINNS
SEEK A ROLE AS A "PROFESSIONAL" NEUTRAL; I.E., A
COUNTRY THAT: ACTIVELY PARTICIPATES IN UN PEACE-
KEEPING ACTIVITIES; PLAYS A CONSTRUCTIVE AND MEDIATING
ROLE IN OTHER UN AFFAIRS; DESERVES REPUTATION AS
SUITABLE MEETING GROUND FOR EAST AND WEST; AND NOT
ONE THAT ACTS AS "CONSCIENCE OF THE WORLD" OR
REGARDLESS OF PRINCIPLE SEEKS TO CURRY FAVOR WITH ALL
AND SUNDRY, IN THE EAST OR THIRD WORLD.

21. SUGGESTED NEW OBJECTIVE (III): "ENCOURAGEMENT OF
FINNISH TIES WITH OTHER WESTERN COUNTRIES AND MAIN-
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TENANCE OF WESTERN VALUES AND A WESTERN-ORIENTED
POLITICAL/ECONOMIC SYSTEM." WE SHOULD RECOGNIZE THAT
BECAUSE OF OUR RELATIVE DISTANCE FROM FINLAND,
GEOGRAPHIC AND OTHERWISE, OUR EFFORTS TO ENCOURAGE
FINNS TO MAINTAIN THEIR DEMOCRATIC WESTERN-ORIENTED
SYSTEM CAN ONLY HAVE A LIMITED IMPACT. WE SHOULD
THEREFORE ENCOURAGE FINNS TO ALSO MAXIMIZE THEIR
TIES WITH OTHER WESTERN COUNTRIES THAT SHARE OUR OBJECT-
IVE, SUCH AS THE NORDICS AND WEST EUROPEAN COUNTRIES.
(COMMENT: WE IN OUR TURN, AS PART OF OUR POLICY
TOWARD THESE COUNTRIES, SHOULD ENCOURAGE THEM TO
PURSUE THIS OBJECTIVE.)

22. SUGGESTED NEW OBJECTIVE (IV): "PROMOTE
MAINTENANCE BY FINLAND OF MILITARY FORCES CAPABLE OF
ACTING AS A DETERRENT TO A SOVIET ATTACK ON FINLAND."
NEW FORMULATION OF OBJECTIVE BASICALLY ONLY CLARIFIES
INTENT CONTAINED IN PREVIOUS OBJECTIVE. REASONING IN
EUOPARA 1973 STILL APPLIES.

23. SUGGESTED NEW OBJECTIVE (V): "FURTHERANCE OF
AMERICAN ECONOMIC AND COMMERCIAL INTERESTS." BASIC
THRUST OF PREVIOUS OBJECTIVE REMAINS UNCHANGED. IT
SHOULD BE RECOGNIZED THAT ACTION PROGRAM WILL BE
LARGELY DETERMINED BY COUNTRY COMMERCIAL PROGRAM AND
ITS COORDINATION WITH USIS ACTION PROGRAM.

24. SUGGESTED NEW OBJECTIVE (VI): "ENCOURAGEMENT OF
FINNS TO RECOGNIZE THEIR STATUS AS AN INDUSTRIALIZED,
RESOURCE-POOR COUNTRY AND TO ACT ACCORDINGLY ON DC-LDC
ISSUES." THIS NEW OBJECTIVE TAKES INTO ACCOUNT NEW
TRENDS IN WORLD AFFAIRS AND FINNISH POLICY; I.E.,
A GREATER FOCUS ON NORTH-SOUTH (DC-LDC) ISSUES IN
COMPARISON WITH TRADITIONAL EAST-WEST QUESTIONS, AND
INCREASING IMPORTANCE TO US OF THESE MATTERS. TO
THE BEST OF OUR INFORMATION, THE FINNS HAVE NOT
FORMALLY DETERMINED WHAT ROLE TO PLAY IN DC-LDC
ISSUES, BUT MAY BE UNDER PRESSURE TO JOIN A NORDIC
GROUP TRYING TO BE AN "HONEST BROKER" BETWEEN THE DC'S
AND THE LDC'S. IF WE ARE TO HAVE ANY HOPE OF
ARRESTING FINNISH PREDILECTIONS TO BECOME MORE AND
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MORE INVOLVED -- AND QUITE POSSIBLY ON WRONG SIDE --
 IN DC-LDC PROBLEMS, NOW IS HIGH TIME TO GIVE OUR
 ATTENTION TO THIS AREA OF LATENT TROUBLE AND TO TAKE
 WHATEVER ACTION IS POSSIBLE TO COUNTERACT THESE TRENDS.

PART III REVIEW OF RESOURCES

25. STAFFING: EMBASSY CONSIDERS CURRENT STAFFING
 SITUATION INADEQUATE. IN 1974 POLICY ASSESSMENT
 MESSAGE EMBASSY REQUESTED FSL POSITION FOR ECONOMIC/
 COMMERCIAL SECTION FOR AGRICULTURE WORK, TO BE FUNDED
 BY DEPARTMENT OF AGRICULTURE. WE REPEAT THIS REQUEST.
 OUR OTHER REQUEST OF LAST YEAR THAT YOUTH ACTIVITIES
 BE STRENGTHENED BY ADDITION OF USIS FSL FOR THIS WORK
 WILL BE ACCOMPLISHED, IN THE ABSENCE OF WASHINGTON
 ACCEPTANCE OF OUR RECOMMENDATION, THROUGH RE-
 ALLOCATION OF PERSONNEL RESOURCES IN USIS WITHOUT
 ADDITIONAL COST TO USG. EMBASSY ALSO REQUESTS
 ADDITION OF ONE FSL POSITION STARTING FY 76 IN
 ADMIN SECTION FOR SUPPORT ACTIVITIES FOR POSTS
 IN USSR.

26. FINANCIAL: EMBASSY DOES NOT ANTICIPATE ANY
 NEW PROGRAMS IN FY 1976. EXTRA EXPENDITURES MAY BE
 NECESSARY IN CONNECTION WITH A CSCE CONFERENCE IN
 HELSINKI DURING FY 1976, BUT IT IS ASSUMED THAT
 THESE WILL BE DEFRAIDED BY DEPARTMENT. INCREASES OVER
 FY 1975 ARE ESTIMATES BASED ON PROJECTIONS OF PRICE
 AND WAGE INCREASES, CONTINUING HIGH INFLATIONARY
 PRESSURES, AND DECLINE IN PURCHASING POWER OF
 DOLLAR IN FINLAND.

	FY 75	FY 76
	(NEAREST THOUSANDS)	
STATE	813	895
USIS	349	424
COMMERCE	3	N/A
AGRICULTURE	0	0
DAO	106	154

EXCLUDES WASHINGTON AMERICAN SALARY COSTS FOR THESE
 SECRET

SECRET

PAGE 04 HELSIN 00786 04 OF 04 101413Z

AGENCIES.
 AUSTAD

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HELSIN00786
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750125-0303
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750464/aaaacgjs.tel
Line Count: 652
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Office: ACTION EUR
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 75 STATE 9732, 75 STATE 032826
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by BoyleJA>; APPROVED <17 SEP 2003 by MartinML>
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TAGS: OGEN, FI
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